



Quality is Our Bottom Line

Insurance Committee Public Hearing

Tuesday, February 27, 2018

Connecticut Association of Health Plans

Testimony in Opposition to SB 206 AA Authorizing Pregnancy As A Qualifying Event For Special Enrollment Periods For Certain Individuals

SB 206 would allow a person to enroll in the state's health insurance Exchange upon learning of a pregnancy. Open enrollment standards are in effect to stop people from "gaming" the system - that is enrolling in the Exchange only when they're sick or in need of services. When the incentives align in favor of such behavior, costs spiral out of control as there is not enough good risk to offset the bad risk. This is not simply theory. The experience has borne out over the course of the ACA and toward the of the Obama administration, as you can see below, there was a move to scale back the number of special enrollment periods for exactly this reason

Special Enrollment Periods for the Health Insurance Marketplace

Date 2016-05-06

Title Special Enrollment Periods for the Health Insurance Marketplace

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Special Enrollment Periods (SEP)

While SEPs provide a critical pathway to coverage for qualified individuals who experience qualifying events and need to enroll in or change qualified health plans (QHPs) outside of the annual open enrollment period, it's equally important to avoid SEPs being misused or abused. As it announced today, HHS is tightening the rules for certain special enrollment periods and making clear that SEPs are only available in six defined and limited types of circumstances.

New rules limit the circumstances in which someone may qualify for the permanent move SEP to ensure consistency with the original purpose of that SEP. An Interim Final Rule with Comment (IFC) published in the Federal Register provides that individuals requesting a "permanent move" SEP must have minimum essential coverage for one or more days in the 60 days preceding the permanent move, unless they were living outside of the United States or in a United State territory prior to the permanent move. This ensures that individuals are not moving for the sole purpose of obtaining health coverage outside of the open enrollment period.

We are also making conforming changes to ensure that individuals who were incarcerated, or were previously in the coverage gap in a non-Medicaid expansion state and have moved and become newly eligible for advance payments of the premium tax credit (both of whom would previously have qualified for the permanent move SEP) may continue to qualify for a special enrollment period. Because these individuals were previously unable to have minimum essential coverage or exempt from having minimum essential coverage prior to the qualifying event that qualifies them for this SEP, we are not requiring that they had prior minimum essential coverage to qualify for an SEP.

The IFC also removes a January 1, 2017 implementation deadline by which Marketplaces would otherwise have had to provide advance availability of the permanent move SEP and provide a SEP for loss of a dependent, or for no longer being considered a dependent due to divorce, legal separation, or death. Marketplaces can still provide either SEP, but implementation and the timing of that implementation are at the option of the Marketplace.

Finally, clarified in separate guidance that SEPs are only available in six defined and limited types of circumstances: (1) losing other qualifying coverage, (2) changes in household size like marriage or birth, (3) changes in residence, with significant limitations, (4) changes in eligibility for financial help, with significant limitations, (5) defined types of errors made by Marketplaces or plans, and (6) other specific cases like cycling between Medicaid and the Marketplace or leaving Americorps coverage.

We cannot afford to further undermine the current system by allowing additional special enrollment periods. Passage of SB 206 could send Connecticut's Exchange into an immediate tailspin.

We urge your opposition.